

# Fire safety: AESO building evacuation procedures

## Calgary Place

### Slow alarm:

- Stand by
- Listen to announcements

### Fast alarm:

- Evacuate to muster point

### Muster point:

- Courtyard at 5<sup>th</sup> Ave Place

## BP Centre

### Slow alarm:

- Stand by
- Listen to announcements

### Fast alarm:

- Evacuate to muster point

### Muster point *South*:

- Courtyard at 5<sup>th</sup> Ave Place

### Muster point *West*:

- Courtyard by Chinese Cultural Center

## SCC

### When alarm sounds:

- Proceed to Guard House
- Wait for further instruction  
*(From your fire captain or fire department)*



# **12-Coincident Peak (CP) Bulk Recovery Methodology Issue #1 in Proceeding 22942**

March 12, 2018

Main Boardroom, AESO Offices

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# Agenda – 12-Coincident Peak Issue

## March 12, 2018

Topic	Presenter	Schedule
Introduction	Doyle Sullivan	9:00 – 9:05 am
Session Overview	Karla Reesor (Facilitator)	9:05 - 9:15 am
AESO position I 2018 ISO tariff application	LaRhonda Papworth	9:15 – 9:30 am
Facilitated discussion on bulk recovery methodology principles	Karla Reesor	9:30 – 10:00 am
AltaLink (AML) presentation (includes Q & A)	AML	10:00 – 11:30 am
Lunch		11:30 am – noon
ADC, DUC and IPCAA (includes Q & A)	ADC, DUC, IPCAA	noon – 12:30 pm
Consumers' Coalition Alberta (CCA) presentation (includes Q & A)	CCA	12:30 – 12:45 pm
Utilities Consumer Advocate (UCA) presentation (includes Q & A)	UCA	12:45 – 1:15 pm
Open discussion	All	1:15 – 2:15 pm
Break		2:15 – 2:30 pm
Next steps and summary of action items	Karla Reesor	2:30 – 3:00 pm

- AUC Direction (January 19 Letter - [link](#))
  - *19. The Commission considers that time is required for the AESO to conduct an analysis and prepare evidence on the issues of the 12 CP method and, if necessary, the DFO customer contribution. The Commission also considers that revisions may be required to the AESO's application as a result.*
- Objectives engagement
  - Gather views, supporting information (data and analysis) to help the AESO determine whether to maintain or reconsider status quo
- Scope of session
  - 12-Coincident peak issue
- Proposed timeline

- Structure of AESO engagement on 12-Coincident Peak (CP) Methodology issue
  - Facilitated session(s)
  - Initial session or further sessions
    - Opportunities for interested parties or the AESO to:
      - *Present their views and any analysis or assumptions to support their view on the issue*
      - *Ask clarifying questions*
    - Request further data and analysis of the AESO or other parties
    - Assess if further session(s) are required and agenda for future session
  - Written comment period
    - Respond to presentations and discussions from session
  - AESO Response session
    - AESO presents position that it will be filing in GTA

- Manage session agenda
- Ensure all parties are heard
- Agreements
  - Keep an open mind
  - Ask questions (be curious)
  - Share the air time
  - Be specific and succinct
  - Listen generously

- Meeting minutes will not be taken
- Session presentations will be posted to [aeso.ca](http://aeso.ca)
- Action items
  - Logged from all session(s)
  - Posted to [aeso.ca](http://aeso.ca) within two days of session
- Written comments
  - Due March 26
  - No matrix. Send letter to [ISOtariffnotice@aeso.ca](mailto:ISOtariffnotice@aeso.ca)
  - Posted to [aeso.ca](http://aeso.ca) by March 28

# Timeline for Engagement on 12 CP and DFO issues

- March 5 – DFO Customer Contribution Issue (session 1)
- March 12 – 12 CP methodology (session 1)
- March 29 – Update to AUC
- April 9 – 12 CP methodology (tentative session 2)
- TBD – If required, further sessions for the AESO or other parties to present further information or analysis
- TBD – AESO presentation of position to be filed in GTA

# 2018 ISO tariff application - Summary and Principles

# EUB Decision on 12-Coincident peak [Decision #2007-106, December 21, 2007]

- “The Board also concurs with the evidence of Dr. Rosenberg noted above that NCP and contract demand do not recognize this diversity and are not appropriate allocation factors for bulk costs” [Page 34]
- “The AESO is directed to continue to unbundle bulk and local wires costs and to use 12 CP method as the allocator for collecting the demand portion of bulk wire costs” [Page 35]

# 12-Coincident Peak (CP) Methodology

## 2018 ISO tariff application summary

- Of total wires costs, bulk system costs are 51.4%. Of the total bulk system costs, 93.4% are classified as demand-related. [Section 4-1 of application]
- As a result, 48% of total wires costs is recovered through the monthly coincident metered demand
- The AESO stated that “any significant change in transmission system composition or transmission system usage would necessitate a thorough review” [Section 5.3]
- The AESO provided evidence that no significant change has occurred to the coincident metered demand billing determinant [Figure 5-1]
- The AESO committed to review the 12-coincident peak methodology at close of this proceeding and, additionally, analysis and work on capacity market cost recovery mechanism could be helpful in reviewing the bulk recovery methodology

# Principles for bulk wires costs recovery methodology

In its 2006 ISO tariff application, the AESO identified five rate design principles applicable to a utility (adapted from Principles of Public Utility Rates by Bonbright, Danielsen, and Kamerschen, 2nd ed., 1988, pp. 385-389):

- i. recovery of the total revenue requirement;
- ii. provision of appropriate price signals that reflect all costs and benefits, including in comparison with alternative sources of service;
- iii. fairness, objectivity, and equity that avoids undue discrimination and minimizes inter-customer subsidies;
- iv. stability and predictability of rates and revenue; and
- v. practicality, such that rates are appropriately simple, convenient, understandable, acceptable, and billable.

# Principles for bulk wires costs recovery methodology (continued)

Further:

- a) The first principle would be satisfied by any rate design that, on a forecast basis, recovered the applied-for revenue requirement.
- b) The second and third principles were considered to be satisfied by rates which recover costs in the manner in which they are caused. That is, rates based on cost causation should provide appropriate price signals, should be fair, objective, and equitable, and should minimize or eliminate inter-customer subsidies. Cost causation therefore is the primary consideration when evaluating a rate design proposal.
- c) The remaining two principles were considered to be given secondary consideration. That is, there should be little need to be concerned about stability and of practicality if rates reflect cost causation, barring unusual regulatory events such as regulatory lag or dramatic changes in cost structure.

# Principles for bulk wires costs recovery methodology (continued)

- Decision 2010-606 regarding the 2010 ISO tariff application reaffirmed that after the principle of full recovery of the revenue requirement, a rate design reflecting cost causation should generally prevail over other secondary considerations, including rate shock considerations, when assessing the AESO's rate design
- The AESO has continued to apply these cost causation principles in the 2018 ISO tariff application

# **Bulk System Recovery Principles Facilitated Discussion**

**Thank you**